

TRUE NORTH PROJECT DESCRIPTION

Prepared by

Fairbanks Gold Mining, Inc.
(a subsidiary of Kinross Gold Corporation)
PO Box 73726
Fairbanks, Alaska 99707-3726
(907) 488-4653

September 2000

TABLE OF CONTENTS

<u>1.0 INTRODUCTION</u>	1
<u>1.1 Overview</u>	1
<u>1.2 Project Location and Land Status</u>	5
<u>1.3 History</u>	5
<u>1.3.1 Area History</u>	5
<u>1.3.2 History of the True North Project</u>	6
<u>1.4 Geology</u>	8
<u>1.4.1 Regional Geology</u>	8
<u>2.0 FEASABILITY STUDIES</u>	9
<u>2.1 Baseline Analysis</u>	9
<u>2.1.1 Environmental Analysis</u>	9
<u>2.2 PROCESSING, ORE TRANSFER, AND ACCESS/HAUL ROAD</u>	11
<u>2.2.1 Processing</u>	11
<u>2.2.2 Ore Transfer</u>	11
<u>2.2.3 Access/Haul Road</u>	11
<u>3.0 TRUE NORTH MINE COMPONENTS</u>	14
<u>3.1 General</u>	14
<u>3.2 Basic Design Information</u>	14
<u>3.3 General Site Plan</u>	16
<u>3.4 Mining</u>	16
<u>3.4.1 Mining Method and Equipment</u>	16
<u>3.4.2 Open Pit, Development Rock Dumps, and Ore Stockpile</u>	16
<u>3.4.3 Growth Media Stockpiles for Reclamation</u>	19
<u>3.5 Access/Haul and Exploration Roads</u>	19
<u>3.6 Fuel Supply, Storage, and Distribution</u>	19
<u>3.7 Shop Maintenance Complex & Office Buildings</u>	20
<u>3.8 Refuse</u>	20
<u>3.9 Domestic Sewage</u>	23

TABLE OF CONTENTS

<u>3.10 Communication</u>	23
<u>3.11 Explosives Storage</u>	23
<u>3.12 Fire Control and Suppression</u>	23
<u>3.13 Project Management System (PMS)</u>	26
<u>3.14 Environmental Incident Response</u>	26
<u>3.15 Medical Emergency Response</u>	26
<u>4.0 CLOSURE AND RECLAMATION PLANS</u>	27
<u>4.1 General</u>	27
<u>4.2 Post-Mining Land Uses</u>	27
<u>4.3 Reclamation Plans</u>	27
<u>5.0 MAJOR PERMITS AND AUTHORIZATIONS</u>	28
<u>5.1 State of Alaska Permits and Authorizations</u>	28
<u>5.1.1 Department of Environmental Conservation</u>	28
<u>5.1.2 Department of Labor</u>	28
<u>5.1.3 Department of Natural Resources</u>	28
<u>5.1.4 Department of Transportation & Public Facilities</u>	28
<u>5.1.5 Department of Public Safety</u>	28
<u>5.2 Federal Permits and Authorizations</u>	28
<u>5.2.1 Bureau of Alcohol, Tobacco, and Firearms</u>	28
<u>5.2.2 Corps of Engineers</u>	29
<u>5.2.3 Environmental Protection Agency</u>	29
<u>5.2.4 Mine Safety and Health Administration</u>	29
<u>REFERENCES</u>	30
<u>APPENDIX A</u>	32
<u>Kinross Gold Corporation Environmental Policy</u>	32

FIGURES

<u>FIGURE 1-1 PROJECT LOCATION MAP</u>	3
<u>FIGURE 1-2 TOPOGRAPHIC PROJECT LOCATION MAP</u>	4
<u>FIGURE 2-1 HAUL / ACCESS ROAD</u>	13
<u>FIGURE 3-1 TRUE NORTH GENERAL ARRANGEMENT DRAWING</u>	17
<u>FIGURE 3-2 TRUE NORTH MINE PLAN</u>	18
<u>FIGURE 3-3 TRUE NORTH PROJECT BUILDING PLAN</u>	21
<u>FIGURE 3-4 TRUE NORTH PROJECT SHOP PLAN</u>	22
<u>FIGURE 3-5 EXPLOSIVE MAGAZINE</u>	24
<u>FIGURE 3-6 AMMONIUM NITRATE BIN</u>	25

1.0 INTRODUCTION

1.1 Overview

This True North Project Description document updates the project description prepared by Fairbanks Gold Mining, Inc. (FGMI) in February 2000. This current project description incorporates changes made by FGMI as a result of its ongoing design and analysis process, as well as those changes made in response to agency and public review and comment on the original description.

The purpose of this document is just to describe the project, i.e., how the project would be developed. As a result of input received from the public comment period during the permitting process, FGMI has responded to the issues by altering the foot print of the project, which has decreased the number of delineated jurisdictional wetlands disturbed from 162 acres to 66 acres and avoided cultural resource sites, i.e. the Davidson Ditch. The overall disturbed acreage within the Millsite Lease area has been reduced from 362 acres to 245 acres. The access haul road crossing of the Steese Highway has also been modified from an on grade crossing to an underpass to address concerns of safety on that portion of the Steese Highway.

Other project-related information gathered by FGMI and its consultants is available in separate baseline and technical reports as referenced in this document.

The True North Project operator is by FGMI, a wholly owned subsidiary of Kinross Gold Corporation. FGMI owns 65% of the True North Venture with the remaining 35% owned by LaTeko Resources, Inc. another wholly owned subsidiary of Kinross Gold Corporation. The True North Venture has lease agreements with the underlying claim owners. The agreements include the area of the Millsite Lease and additional claims within the overall exploration area listed in Section 1.2.

The True North Project is within the Chatanika River watershed located on the northwest flank of Pedro Dome approximately 25 miles northeast of Fairbanks (Figures 1-1 and 1-2). The ridgelines drain into Murray Creek, a tributary of Dome Creek to the south; and Louis Creek, Whiskey Gulch, and Spruce Creek, tributaries of Little Eldorado Creek to the north.

FGMI has completed sufficient drilling of the True North Project exploration area to define a proven and probable gold reserve of approximately 459,000 ounces in the northeast portion of the defined mineralized area. The True North Project is currently the only exploration property with reserves sufficiently defined to warrant moving forward with permitting within FGMI's exploration holdings (approximately 59,000 acres excluding the Fort Knox Millsite Lease area). The development of yet undefined mineable ore bodies within the exploration area in addition to the True North Project have the potential to extend the current Fort Knox operations and mine life (estimated between 8 and 10 years) and minimize environmental impacts by utilizing an existing mill facility and zero discharge tailing storage impoundment. FGMI will continue exploration and development within its exploration land holdings. Within the Fairbanks Mining District there are also over 100,000 acres of mineral claims held by other mineral development companies and individuals that may provide additional opportunities.

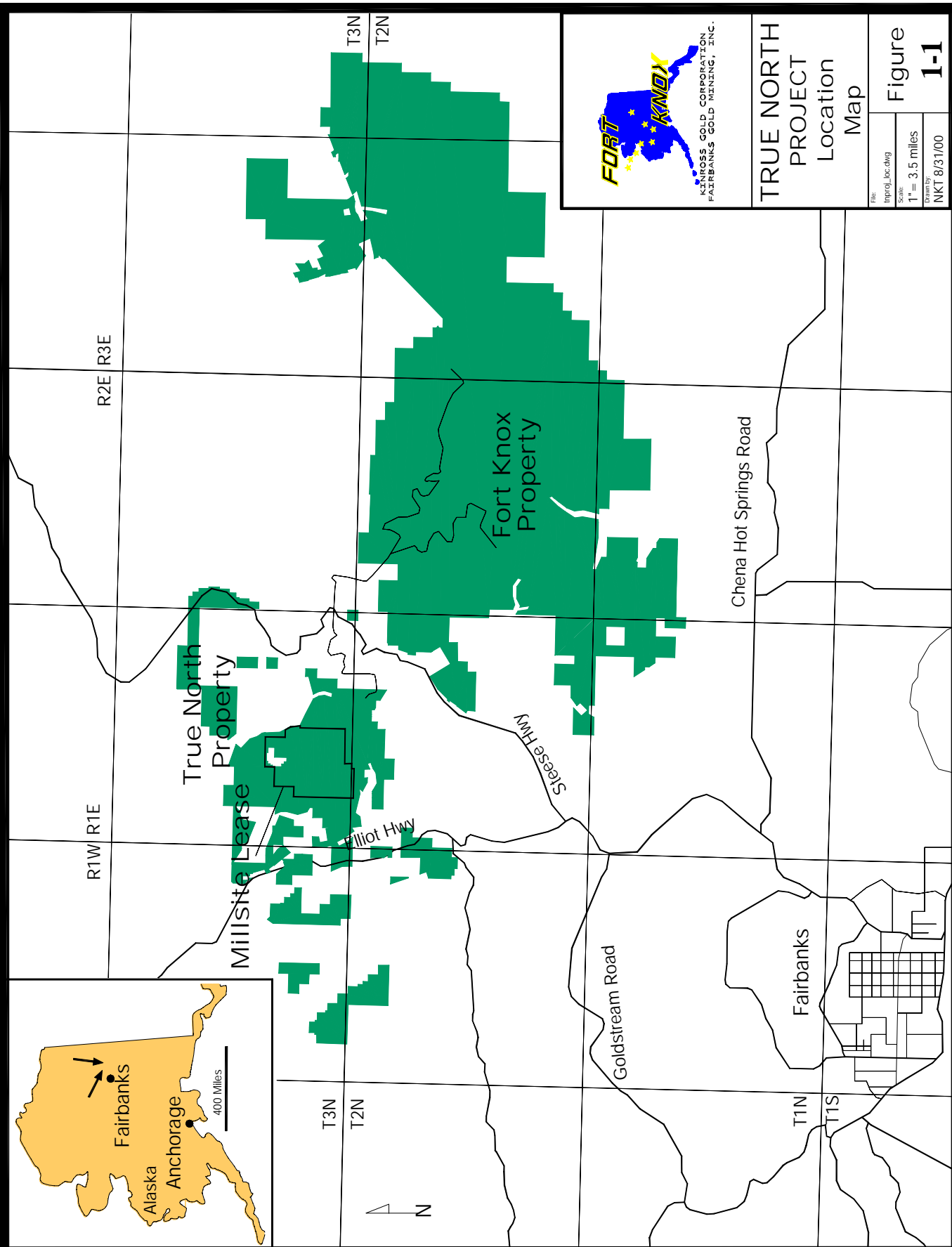
The True North deposit is hosted by calcareous and carbonate-altered schist. The ore body is elongated northeast gently dipping to the southwest. The estimated reserves for the True North "Hindenburg" and "East" pits are 7.2 million tons, averaging 0.063 oz/t. FGMI exploration crews are currently drilling to further define mineralization in the area. Exploration activities will continue while mining the Hindenburg and East pits at the True North Project in order to locate possible areas for expansion and additional development. As exploration drilling confirms additional reserves, FGMI will submit requests for modification to the Plan of Operations, Reclamation Plans, and any other required permits as development plans become defined. These modifications will require approval by the appropriate state and federal agencies prior to initiation of development work.

Sampling and data collection will include metallurgical characterizations of the ore and development rock. Other activities will include environmental baseline studies, hydrologic studies, laboratory and pilot plant tests for process design and ore grindability, geotechnical studies, and basic engineering studies for project design and permitting.

The mine will operate year-around with conventional open pit mining averaging 30,000 tons per day, at a 2:1 strip ratio with an average of 82.6% recovery, and producing approximately 180,000 ounces of gold annually. Mining will be similar to a gravel pit or rock quarry; therefore no process components will be present at the property. Approximately 10,000 tons of ore per day will be trucked to the Fort Knox mill for processing. Mining of the Hindenburg and East pits are projected to begin in the fourth quarter of 2000 and continue for approximately three years. Development costs are estimated to be between \$20 and \$30 million.

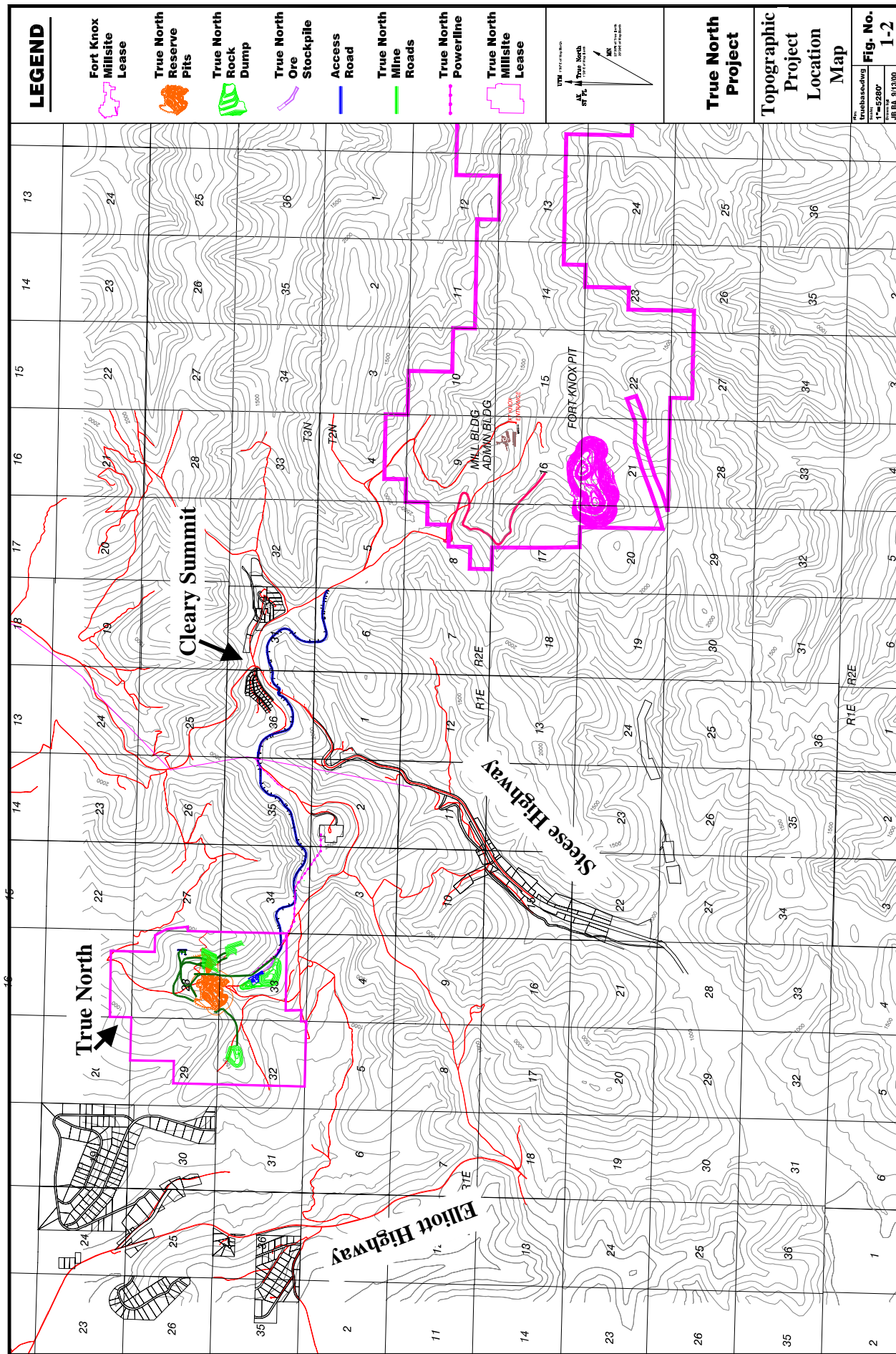
The mine's estimated annual operating expenditures for labor, power, and support services are \$14 million. Most of these expenditures occur in Fairbanks and throughout Alaska. The operations expected to create 100 to 110 new jobs.

The project design is based on exploration drilling results and feasibility studies. Feasibility studies included environmental baseline studies and alternative analyses that are consistent with Kinross Gold Corporation's Environmental Policy (Appendix A).



**TRUE NORTH
PROJECT
Location
Map**

File:	mapproj_loc.dwg
Scale:	1" = 3.5 miles
Drawn by:	NKT 8/31/00
Figure 1-1	



1.2 Project Location and Land Status

The True North Project is located 25 miles northeast of Fairbanks, on the northwest flank of Pedro Dome. Historic access to the True North Project is accessed via the Steese Highway to Cleary Summit, then 6.5 miles via a gravel road skirting the south side of Pedro Dome. The new access/haul road (approximately 0.5 miles south of Cleary Summit) follows a new road alignment along the north side of Pedro Dome.

The True North Project area consists of a mixture of 388 state claims, 65.5 acres of federal patented land owned by Kinross, 401.2 acres of federal patented land under lease, and 4.68 acres of private real estate under lease. FGMI has applied for a Millsite Lease (Figure 2-1) for development within a portion of the True North Project area. More specifically, the True North Project Millsite Lease is located in portions of Sections 21, 27, 28, 29, 32 & 33, T3N, R1E, Fairbanks Meridian. The area within the Millsite Lease covers 2,096 acres with 79 state mining claims

1.3 History

1.3.1 Area History

In 1901, Felix Pedro and Tom Gilmore discovered gold in a gravel bar near the mouth of Fish Creek; however, they decided not to stake the discovery because they considered it to be only a spring freshet deposit and not a valuable placer deposit (Parker, 1929). They continued prospecting in the area; and, on July 22, 1902, Pedro made a discovery on Pedro Creek starting a stampede into what became the Fairbanks District (Parker, 1929).

Pedro's discovery resulted in the establishment of Fairbanks as a major mining center (Cashen, 1971). By 1904 Fairbanks had become one of the principal gold producing districts in Alaska. Placer production peaked in 1909 (Parker, 1929) marking a transition from the relatively low grade, easily mined shallow placers to the high grade, underground "drift mines" (Parker, 1929). Between 1903 and 1930 an estimated 3.9 million ounces of placer gold and 100,000 ounces of lode gold were recovered from the district (Hill, 1933).

During the boom years of 1903 to 1905 (Cashen, 1971), towns sprang up on numerous creeks throughout the region (Wold, 1971). In 1908, 5,000 people lived in Fairbanks and another 5,000 lived in the surrounding area. By 1910, however, the Fairbanks population had dwindled to 1,500 (Cashen, 1971). Mining activity steadily declined from 1910 to 1915 (Anon., 1916) and continued to drop until the 1920's when dredges were introduced. The U.S. Smelting, Refining, and Mining Company dba Fairbanks Exploration Company (F.E. Co.) operated 12 dredges in the Fairbanks Mining District in 1930, but in 1953 only six operating dredges remained (Cooley, 1954). Mining activity rose from the late 1920's until World War II when gold mining was suspended under the war moratorium. Activity remained low until the price of gold began to rise in the 1970's.

Lode gold mining did not start in the Fairbanks District until 1910 (Brooks, 1915) and it peaked in 1913 (Hill, 1933) when 10 mills were operating (Brooks and others, 1914). Lode mining declined during the First World War (Hill, 1933) and revived after

construction of the Alaska Railroad in 1923 (Boswell, 1979). Total lode gold production from the Fairbanks District to 1960 was 239,247 ounces (Cobb, 1973).

In 1984 lode gold mineralization was discovered at what was to become the Fort Knox Mine. Between 1987 and 1991, a number of companies were involved for varying lengths of time in exploration and pre-development of the Fort Knox Project. In January 1992, Amax Gold Inc. (AGI) acquired 96 percent ownership of Fairbanks Gold Ltd., a publicly held British Columbia corporation, and merged with Gilmore Gold Inc., a closely held Delaware corporation, into AGI. On March 31, 1992, AGI acquired the remaining 4 percent of Fairbanks Gold Ltd., thus obtaining full ownership of the Fort Knox Project. AGI established FGMI as the operating company for the mine. On June 1, 1998 AGI and Kinross Gold Corporation merged. FGMI is a wholly owned subsidiary of Kinross Gold Corporation.

Construction of the Fort Knox Mine began in the first quarter of 1995 and processing of ore commenced November 1996. Commercial production was achieved March 1997 and gold production has remained at approximately 350,000 ounces of gold annually. The mine employs approximately 260 workers and generates a positive \$107 million impact on the local economy (McDowell Group, 1999 – available through the Fairbanks North Star Borough).

1.3.2 History of the True North Project

Major Placer Mining Activity

In 1924, the F.E. Co. began purchasing large tracts of land and constructing a water conveyance system, the Davidson Ditch, in preparation for dredging activities. The Davidson Ditch was an engineering milestone that consisted of approximately 90 linear miles of hydraulic ditch, flumes, and siphons.

Dredging in the drainages surrounding Pedro Dome began in 1924 on Cleary Creek when the Chatham Gold Dredging Company built a 1.5-cubic foot dredge. It was located at the mouth of Chatham Creek. In 1928, a 10-cubic foot dredge owned by F.E. Co. started mining on lower Cleary Creek and worked the Chatanika Flats. A third dredge started mining on the middle of Cleary Creek in 1929. This third dredge was a 6-cubic foot model owned by F.E. Co. After 18 years of successful operation, this dredge was moved to Little Eldorado Creek in 1947 and operated in the middle reaches of the creek. After eight years on Little Eldorado Creek, the dredge was moved to Dome Creek, where it currently sits. Dredging ended in Dome Creek in 1959. All F.E. Co. dredging operations were discontinued by 1964 (Higgs, 1996). Smaller scale placer mining operations have continued in Little Eldorado Creek and Dome Creek up to the present time.